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Message Text

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ACTION XMB-04

INFO OCT-01 EA-09 ISO-00 EB-08 AID-05 CIAE-00 COME-00
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 /064 W
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R 060120Z APR 77
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC 3016
INFO USDOC WASHDC
AMEMBASSY SINGAPORE
AMEMBASSY TOKYO
AMEMBASSY MANILA
AMCONSUL HONGKONG

UNCLAS SEOUL 2727

STATE PASS EXIM BANK

E.O. 11652: N/A
TAGS: BENC, KS
SUBJECT: MAJOR COMPONENTS FOR KOREAN NATIONAL RAILROAD'S
DIESEL-ELECTRIC LOCOMOTIVES

REF: '76 SEOUL 2405

THIS MESSAGE REPLACES REFTEL IN ITS ENTIRETY IN THAT DETAILS
OF THE PROJECT HAVE BEEN COMPLETELY REVISED.

1. PROJECT DESCRIPTION:

THE KOREAN NATIONAL RAILROAD (KNR) IS PREPARING A LOAN REQUEST
OF APPROXIMATELY DOLLARS 35.5 MILLION FROM THE U.S. EXIM BANK
TO FINANCE PART OF THE FOREIGN EXCHANGE REQUIREMENTS FOR KNR'S
EQUIPMENT MODERNIZATION PROGRAM. KNR PLANS INVOLVE PURCHASE
OF NEW DIESEL-ELECTRIC LOCOMOTIVES AND MAJOR COMPONENTS FOR
REPOWERING ITS SUPERANNUATED DIESEL-ELECTRIC LOCOMOTIVES.
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2. IMPLEMENTING OFFICE:

MR. BANG, SUK-KIE, CHIEF,
ECONOMIC COOPERATIONS DIVISION,
KOREAN NATIONAL RAILROAD,
REPUBLIC OF KOREA,

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SEOUL, KOREA.

3. COST AND FINANCING:

FOREIGN EXCHANGE COSTS OF APPROXIMATELY DOLLARS 35.5 MILLION WILL FINANCE IMPORT OF EQUIPMENT. NO FOREIGN CONSULTANT SERVICES ARE REQUIRED. KNR HAS NOT YET OBTAINED FINANCING FOR THE FOREIGN EXCHANGE COSTS OF THIS PROJECT. BANG INDICATED THAT KNR AND KOREAN ECONOMIC PLANNING BOARD (EPB) ARE AGREED ON THE DESIRABILITY OF OBTAINING A LOAN FROM U.S. EXIM BANK.

4. EXPECTED BID DATES:

UNKNOWN, DEPENDS ON AVAILABILITY OF THE FOREIGN EXCHANGE FINANCING. A FORMAL LOAN APPLICATION REQUEST HAS NOT YET BEEN FILED.

5. POTENTIAL U.S. SALES:

ITEMS TO BE PURCHASED INCLUDE: TWENTY NEW 3,000 HORSE POWER DIESEL-ELECTRIC LOCOMOTIVES (ESTIMATED VALUE DOLLARS 13.1 MILLION), 71 ENGINES (ESTIMATED VALUE DOLLARS 10 MILLION), 71 MAIN GENERATORS (ESTIMATED VALUE DOLLARS 4.8 MILLION), 120 TRACTION MOTORS (ESTIMATED VALUE DOLLARS 2.8 MILLION) AND MISCELLANEOUS SPARE PARTS FOR DIESEL-ELECTRIC LOCOMOTIVES ESTIMATED VALUE DOLLARS 4.8 MILLION).

6. POST COMMENTS:

THE SUBJECT PROJECT IS LISTED THIRD AMONG THE PRIORITY PROJECTS
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FOR 1977 WHICH THE EPB HAS RECOMMENDED FOR U.S. EXIM BANK ATTENTION. KNR, THE NATIONAL RAILROAD, IS STANDARD GUAGE 1,435 MM (4 FT. 8 1/2 IN.). KNR HAS FOR MANY YEARS BEEN ATTEMPTING TO REPLACE ITS STEAM LOCOMOTIVES, HOWEVER, THEY ARE STILL BEING USED FOR SHUNTING PURPOSES AT THE MAJOR STATION YARDS. KNR'S PRESENT INVENTORY INCLUDES 386 STANDARD GUAGE DIESEL-ELECTRIC LOCOMOTIVES, ALL OF UNITED STATES MANUFACTURE, INCLUDING 338 OF GMC MANUFACTURE AND 48 FROM AMERICAN LOCOMOTIVE (ALCO). THE MAJOR COMPONENTS ARE SPECIFICALLY INTENDED TO REPOWER 71 GMC DIESEL-ELECTRIC LOCOMOTIVES WHICH HAVE BEEN IN SERVICE FOR MORE THAN 15 YEARS. REPORTEDLY, KNR WILL HAVE NO PARTICULAR TECHNICAL PROBLEMS IN CARRYING OUT THE PROJECT ITSELF AND HAS A SUFFICIENT NUMBER OF EXPERIENCED TECHNICIANS AND APPROPRIATE WORKSHOP FACILITIES. KNR HAS FOUR LARGE-SCALE SHOPS, AMONG WHICH THE PUSAN DIESEL WORKSHOP IS SPECIALIZED IN THE ASSEMBLING, MAINTENANCE AND REPAIR OF DIESEL-ELECTRIC LOCOMOTIVES. COMMERCE MAY WISH TO PASS THIS REPORT TO THE ELECTROMOTIVE DIVISION OF GMC, USA AND OTHER APPROPRIATE MANUFACTURERS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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Review Media Identifier:
Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2880695
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Status: NATIVE
Subject: MAJOR COMPONENTS FOR KOREAN NATIONAL RAILROAD\'S DIESEL-ELECTRIC LOCOMOTIVES
TAGS: BENC, KS
To: STATE
Type: TE
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